

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 98-129-C - ORDER NO. 1999-268

APRIL 12, 1999

IN RE: Application of State Communications, Inc. for	)	ORDER APPROVING	✓ MR
a Certificate of Public Convenience and	)	FLEXIBLE	
Necessity to Provide Both Local Exchange	)	REGULATION OF	
and Long Distance Telecommunications	)	LOCAL SERVICES AND	
Services within the State of South Carolina.	)	ALTERNATIVE	
	)	REGULATION OF	
	)	INTEREXCHANGE	
	)	SERVICES	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of State Communications, Inc. (“State” or the “Company”) for approval of flexible regulation for its local exchange service offerings and for alternative regulation of its interexchange business service offerings. State requests that its local exchange service offerings be regulated in accordance with procedures authorized for NewSouth Communications in Order No. 98-165 in Docket No. 97-467-C. Additionally, State requests that its interexchange business service offerings, consumer card services, and operator services be regulated in accordance with the procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Pursuant to the instructions of the Commission’s Executive Director, a Notice of Filing was published in newspapers of general circulation in the areas affected by the

request of State for flexible regulation and alternative regulation. No protests or Petitions to Intervene were received regarding State's request.

Accordingly, the matter comes before the Commission for disposition. Flexible regulation of local exchange services was first recognized by this Commission by Order No. 98-165 in Docket No. 97-467-C. State requests that the Commission adopt for its competitive intrastate local exchange services a flexible regulatory treatment as first approved by Order No. 98-165 in Docket 97-467-C. This flexible regulatory treatment for competitive local exchange services consists of a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, local exchange service tariffs are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing will be suspended pending further Order of the Commission. Additionally, any company under the flexible regulatory scheme as approved by Order No. 98-165 in Docket No. 87-467-C will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Alternative (or relaxed) regulation was first approved for AT&T of the Southern States by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The alternative regulatory scheme approved in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as approved for other interexchange carriers, provides that tariffs shall be presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation of the tariff filing, in which case such filing shall be suspended pending further Order of the Commission. State requests that this alternative regulation be

approved for its interexchange business services, consumer card services, and operator services in South Carolina.

Since the Commission has received no opposition to State's request, the Commission approves State's request for flexible regulation of its local exchange service offerings and for alternative regulation of State's business service offerings, consumer card service offerings, and operator service offerings.

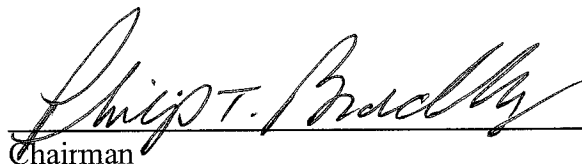
IT IS THEREFORE ORDERED THAT:

1. State's request for flexible regulation of its local exchange service offerings and for alternative regulation of its business service offerings, consumer card service offerings, and operator service offerings is granted.
2. Under flexible regulation for local exchange service offerings, State shall file with the Commission tariffs which shall include a maximum rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, local exchange service tariffs are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing will be suspended pending further Order of the Commission. Additionally, State, under the flexible regulatory scheme as approved by Order No. 98-165 in Docket No. 87-467-C, will be subject to the same monitoring process as similarly situated competitive local exchange carriers.
3. Under alternative regulation, State shall not be required to state maximum rates (caps) for its business service offerings, consumer card service offerings, and operator service offerings. Such rates shall be presumed valid upon filing, subject to the

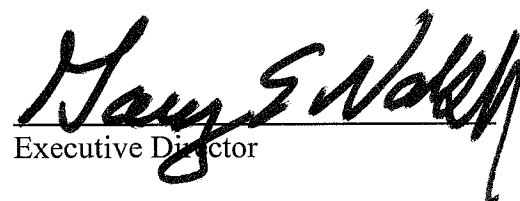
Commission's right within seven (7) days to institute an investigation of the tariff filing, in which case such filing shall be suspended pending further Order of the Commission. Further, State shall be subject to the same monitoring process as similarly regulated companies.

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)